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TAGS: [ETRD](#) [PGOV](#) [PREL](#) [PTER](#) [CI](#)  
SUBJECT: ON THE SAME PAGE: INFLUENTIAL CHILEANS SEEKING  
ENHANCED COOPERATION WITH U.S.

Classified By: Ambassador Craig Kelly for reasons 1.5 (b and d).

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Summary  
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11. (C) Foreign Minister Foxley told the Ambassador Chile wants to increase cooperation with the USG on counter-terrorism and will advocate for Peru and Colombia as they negotiate FTA's with the U.S. A Foxley confidante expanded on the theme, arguing that Chile, feeling itself somewhat isolated in the region, should look to build even closer ties with the U.S., whose economic and political policies, in his view, are largely in keeping with Chile's. The U.S. should reciprocate by "paying more attention to Chile." End summary.

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Foxley in the Chicken Coop  
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12. (C) The Ambassador and Mrs. Kelly, along with several other couples, were invited to dinner March 15 at the home of Foreign Minister Alejandro Foxley. The atmosphere was relaxed and Foxley in a talkative mood; the Ambassador was able to chat privately with him on several topics. Foxley said that he'd received a "very positive" readout from Carlos Portales (the MFA's number three official), who had led Chile's delegation to the March 12-13 U.S.-Chile pol-mil consultations in Washington. He wanted to build on the momentum created by the consultations - such as Chile's announcement there to join the Proliferation Security Initiative (PSI) - to seek new areas of cooperation. Foxley suggested that Chile could involve itself in "three or four initiatives on counter-terrorism" and asked for U.S. suggestions on where Chile could be useful. (Note: Post has prepared a menu of options, in consultation with Washington, to provide Foxley. That list will also be faxed to WHA/BSC.)

13. (C) Foxley said that at his behest President Bachelet would send letters to the U.S. Congress supporting ratification of free trade agreements with Peru and Colombia. Bachelet would note the benefits of the U.S - Chile FTA to both countries and also argue that extending FTA's to other countries in the region would send a strong signal of support for free trade and democratic government. (Comment:

Foxley's pro-American sentiment was very much in evidence throughout the dinner. In Bachelet's left-leaning administration he can be a lonely - and occasionally criticized - voice for stronger ties with the U.S. It appears to us that, of late, his positions on issues such as strengthening ties with "like-minded countries," have been gaining some traction with the President, even if she remains reluctant to publicly embrace policies seen as pro-U.S. End comment.)

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It Can Get Lonely Down Here  
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¶4. (C) Foxley confidante Eduardo Boeninger, a former Minister of the Secretariat General of the Presidency under former President Aylwin, at his request met with Ambassador March ¶20. E/Pol Counselor also sat in. Boeninger noted that while the recent visit of President Bush to the region was "late in coming" it is important to follow-up with the initiative, in order to blunt Chavez's populist message. Several countries had adopted necessary economic and political reforms but only half-heartedly. When they had failed - as in Argentina - neoliberalism (and the U.S.) had taken the blame. It is important for the U.S. to highlight those countries where free market policies had been embraced and succeeded, such as in Chile, Colombia, and Mexico.

¶5. (C) Free trade and globalization are here to stay. Chile and "like-minded countries" such as Australia, New Zealand and Singapore would be key that effort. The U.S. and Chile should establish an ever closer relationship, based on trust. The Iraq situation made closer ties difficult (with the

Bachelet government) but the effort had to be made. The U.S. would have to pay more attention to Chile and U.S. leaders not look at Chile with "indifference." Boeninger continued that Chile needed the stronger ties as well. "Chile is at the end of the continent, and is bordered by adversaries." Argentina looks at Chile as a "nuisance," relations with Peru are "good but fragile," and ties to Bolivia always problematic. Chavez is noting that Chile is a "competitive model" and Brazil's Lula, "using Chavez's money," wants to set himself up as the region's dominant leader. In short, "Chile needs a friend and the U.S. is its natural ally."

¶6. (C) The Ambassador replied that the U.S. was very supportive of efforts to link the like-minded. The U.S. understands the importance of Chile. The recent U.S.-Chile pol-mil consultations in Washington and talks Chilean delegation head Carlos Portales had with U/S Burns, U/S Dobriansky and S/P Krasner underscored that feeling. The Embassy is increasing already substantial public diplomacy efforts to get out our message of support for the Chilean model. The Mission will focus on enhancing English language capabilities in Chile, for example, and hopes to use the President's announced initiative of USD 75 million for the region to further that goal. He agreed with Boeninger that Chile should better network with U.S. legislators, and enhance ties to state-level organizations, particularly those promoting trade. The Ambassador noted, too, that the Embassy would be emphasizing the importance to Chile's future of encouraging innovation.

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Comment  
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¶7. (C) Boeninger (and Foxley) are preaching from Chile's still small openly pro-U.S. choir. It will be important for USG officials to stroke Foxley during his April 12-13 visit to Washington and explore concrete areas for future engagement. Boeninger's message, that the U.S. must take care not to take Chile for granted, in a region where other countries pose greater challenges to good relations, is one we take to heart. Our engagement over the past few months, here and in Washington, has been intense and we know, at least as reflected in a recent poll, that a strong plurality

of Chileans see the U.S. as their best ally. End comment.  
KELLY